Security Code : 3481

Mitsubishi Estate Logistics REIT Investment Corporation Fiscal Period Ended August 31, 2020

Logicross

October 15, 2020

Logicross

Asset Management Company: MITSUBISHI JISHO INVESTMENT ADVISORS,INC. https://mel-reit.co.jp/en/

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Logicross

Highlights after April 2020

A Mitsubishi Estate Logistics REIT Investment Corporation

HYBRID External Growth

• Acquired 5 properties (3 sponsor-developed properties and 2 Asset Management Company-sourced properties) through 3rd follow-on offering and expanded asset size to 19 properties of 142.1 bn yen

• Achieved stabilized DPU growth by +8.3% and NAV per unit growth by +6.8%

HYBRID Internal Growth

 Maintained high occupancy and achieved rent growth for 5 consecutive periods despite the COVID-19 pandemic. Upward trend is expected to continue

Average rent growth^(Note 1) 8th period +9.5% 9th period (forecast)^(Note 2) +7.1%

Financial Strategy

• Extended debt duration and maintained low debt cost through new debt. LTV still remains low at 30.9%

 Achieved further diversification through adding 4 new lenders, Sumitomo Mitsui Trust Bank, The Yamanashi Chuo Bank, The Yamaguchi Bank and The Bank of Toyama

Financial Results

Achieved stable DPU of 6,003 yen

vs 7th period +96yen (+1.6%) vs forecast +56yen (+0.9%)^(Note 3)

Note 1: Average rent growth for the leases that expired or will expire during the relevant period Note 2: Lease contracts that are not yet contracted are assumed to be unchanged for the calculation Note 3: The forecast announced on Apr. 17, 2020



Progress of Management Policy based on "Three Pillars"

	Execution of Growth Strategy based on "Three Pillars" (Since April 2019)			hree Pillars"	Measures for the Future	
Alignment Align interest with unitholders	Asset management fee fully linked to unit price performance	Support from Sponsor's announcement of its long-term management plan and continued same-boat investment	ESG initiatives and greening of the portfolio	Inclusion in the FTSE EPRA Nareit Global Real Estate Index Series	 Aim for further inclusion in major indices and improve liquidity by steadily increasing market capitalization Introduce cumulative investment for employees 	
Discipline Achieve disciplined growth	External growth utilizing LTV	Flexible property	External growth with attention to portfolio yield and implied cap rate	Flexible financing carefully watching the market conditions	 Maximize unitholder value through disciplined acquisitions and utilizing low LTV Consider issuance of bonds including green bonds aiming for diversification of financing method (shelf registration already filed) 	The entire Mitsubishi Estate Group will collaborate to maximize unitholder value
		acquisition strategy utilizing				
Hybrid Enhance MEL's unique strategy Hybrid Model	Enhanced collaboration with Tokyo Ryutsu Center (TRC)	bridge funds	Internal growth utilizing management capability of Asset Management Company and leasing capacity of the Sponsor	Expanding pipelines from both the Sponsor and Asset Management Company	 Continue "Hybrid" external and internal growth Secure pipelines continuously from the Sponsor Secure pipelines through utilizing Asset Management Company's various sourcing methods, such as CRE proposals 	

Note : Executed measures after Apr. 2020 are highlighted in red



Overview of 3rd Follow-on Offering and New Acquisition

Overview of 3rd Follow-on Offering

Offering format	Domestic Public Offering (with Extraordinary Report)	
Launch date Aug. 13, 2020 (Thursday)		
Pricing date	Aug. 24, 2020 (Monday)	
Issue price	431,701 yen per unit	
Total number of	Units issued : 40,500 units (Designated Purchaser 1,750 units)	
issued units	Overallotment : 1,922 units	
Total amount issued	18.3 bn yen	



Offering Background and Outcome

- Flexible offering after confirming the stable unit performance, driven by the strong tailwind towards logistics sector, as solid demand are expected post COVID-19
- Achieved stabilized DPU growth of +8.3% and NAV per unit growth of +6.8%, contributing to increase unitholder value
- Received high evaluation from investors for the continued execution of growth strategy based on "Three Pillars"
- Orderbook oversubscribed by 18 times as a result of receiving solid investor demand from both domestic and overseas investors



Summary of 5 New Properties

No. of Properties / Total Acquisition Price 5 properties/ 28.4 bn yen	Total Appraisal value 29.9 bn yen	Average Appraisal NOI Yield 4.8 %	Sponsor-developed property/ Asset Management Company- sourced property 3 properties / 2 properties
Average Property Age 5.3 years	Average Occupancy 100.0 %	Average Lease Term 5.8 years	WALE 4.5 years

Logicross Nagoya Kasadera (60% co-beneficiary interest)(Nagoya, Aichi)

Acquisition price	8,705 mn yen	
Appraisal value	9,540 mn yen	Noglages
Appraisal NOI yield	4.9%	
Total floor area	72,376m ²	CHINESE AND STATE
Main tenants	YAGAMI Co., LTD., others	

Logicross Osaka (60% co-beneficiary interest)(Osaka, Osaka)

Acquisition price	5,874 mn yen	
Appraisal value	6,000 mn yen	
Appraisal NOI yield	4.3%	
Total floor area	36,619m ²	
Main tenants	e-LogiT co., ltd., others	

LOGIPORT Osaka Taisho (17.5% additional co-beneficiary interest)(Osaka, Osaka)

Acquisition price	4,802 mn yen	
Appraisal value	5,267 mn yen	
Appraisal NOI yield	4.7%	
Total floor area	117,045m ²	
Main tenants	Toshiba Logistics Corporation, others	

Note : Data at the time of 3rd follow-on offering

MJ Logipark Kazo 2 (Kazo, Saitama)

91 (
Acquisition price	1,637 mn yen
Appraisal value	1,710 mn yen
Appraisal NOI yield	5.0%
Total floor area	7,349m ²
Main tenants	MS-JAPAN Co.,Ltd.



MJ Logipark Sendai 1 (Tagajo, Miyagi)

Acquisition price	7,388 mn yen	Improved Profitability
Appraisal value	7,410 mn yen	THE M
Appraisal NOI yield	5.2%	
Total floor area	36,854m ²	
Main tenants	Toho Transportation and Warehouse Co., Ltd., others	



Effect through 3rd Follow-on Offering



Note : Data at the time of the 3rd follow-on offering. LTV · Debt capacity are as of Oct. 1, 2020

Financial Results and Forecasts

Operating Results (mn yen)	FP Ended Feb. 2020 Actual (7th FP)(A)	FP Ended Aug. 2020 Actual (8th FP)(B)	Difference (B)-(A)	FP Ended Aug. 2020 Forecast (As of Apr. 17, 2020)(8th FP)
Operating Revenues	3,200	3,342	+142	3,346
Operating Rental Revenues	3,200	3,342	+142	3,346
Operating Rental Expenses (excluding depreciation)	493	580	+87	597
NOI	2,705	2,759	+55	2,749
Depreciation	580	604	+24	605
Operating Income	1,749	1,729	(20)	1,715
Ordinary Income	1,633	1,655	+22	1,638
Net Income	1,632	1,654	+22	1,637
Distributions Per Unit (yen)				
Distributions Per Unit (including SCD)	5,907	6,003	+96	5,947
Distributions Per Unit (excluding SCD)	5,338	5,411	+73	5,353
Surplus Cash Distributions (SCD) Per Unit	569	592	+23	594
Number of investment units issued and outstanding (units)	305,815	305,815	±0	305,815
Other Statistics				
AFFO (mn yen)	2,175	2,214	+39	2,135
AFFO payout ratio	83.0%	82.9%	(0.1)%	85.2%
LTV	30.0%	29.4%	(0.7)%	29.4%
NAV per unit	293,133	298,032	+4,899	-
Average Occupancy	99.9%	99.9%	±0%	99.9%

Main Factors of Variance 7th FP Actual vs. 8th FP Actual

①Full contribution from properties acquired in 7th FP		
	+132mn yen	
②Rent increase from existing properties	+10mn yen	

③Increase in expenses from properties acque Property tax expensed Full contribution to depreciation, facility management fee, of Increase in G&A expense such as asset management fee	(182) mn yen (99) mn yen			
④Decrease in expenses from existing prope	rties			
Decrease in leasing fee Increase in repair and maintenance expense Decrease in utility cost	+36mn yen (21) mn yen +4 mn yen			
⑤No temporary increase in expenses from offering in Sept. 2019				
	+47mn yen			

6 No repair cost and no insurance payment from							
typhoon damages in 2019	±0mn yen						
No loss on reduction of fixed assets	+15mn yen						
No insurance payment	(15) mn yen						



(Reference)

Main Factors of Variance
8th FP Actual vs. 9th FP Forecast

	FP Ended	FP Ending	D.111	(Reference) FP Ending Aug.	8th FP Actual VS. 9th FP Fore
Operating Results (mn yen)	Aug. 2020 Actual (8th FP)(B)	Feb. 2021 Forecast (9th FP)(B)	Difference (B)-(A)	2021 Forecast (10th FP)	①Increase in revenue from properties acquired in 9th FP +8
Operating Revenues	3,342	4,222	+880	4,215	② Rent increase from existing properties +
Operating Rental Revenues	3,342	4,222	+880	4,215	
Operating Rental Expenses (excluding depreciation)	580	778	+198	833	3 Increase in expenses from properties acquired in 9th FP (37 Depreciation, increase in facility management fee, etc.
NOI	2,759	3,440	+681	3,379	Increase in G&A expense
Depreciation	604	770	+166	780	Increase in expenses from existing properties (6 Increase in leasing fee
Operating Income	1,729	2,177	+447	2,074	Increase in G&A expense such as asset management fee Increase in repair and maintenance expense
Ordinary Income	1,655	2,040	+385	1,978	§Increase in interest expenses from new borrowin
Net Income	1,654	2,039	+385	1,977	(2
Distributions Per Unit (yen)					© Temporary increase in expense from offering in A
Distributions Per Unit (including SCD)	6,003	6,520	+517	6,438	(3
Distributions Per Unit (excluding SCD)	5,411	5,857	+446	5,677	Main Factors of Variance 9th FP Forecast vs. 10th FP Fore
Surplus Cash Distributions (SCD) Per Unit	592	663	+71	761	①Increase in expenses from properties acquired in (135
Number of investment units issued and outstanding (units)	305,815	348,237	+42,422	348,237	Property tax expensed (Increase in G&A
Other Statistics					②Decrease in repair and maintenance expense for existing properties +38
AFFO (mn yen)	2,214	2,618	+404	2,613	
AFFO payout ratio	82.9%	86.7%	+3.8%	85.8%	③No temporary increase in expenses from offering Aug. 2020 +3
LTV	29.4%	31.5%	+2.1%	30.9%	
Average Occupancy	99.9%	99.8%	(0.1)%	99.9%	

FP Ending

② Rent increase from existing properties	+15mn yen						
③Increase in expenses from properties acquir 9th FP Depreciation, increase in facility management fee, etc. Increase in G&A expense	red in (371) mn yen (303) mn yen (68) mn yen						
Increase in expenses from existing properties Increase in leasing fee Increase in G&A expense such as asset management fee Increase in repair and maintenance expense (10) mn yen							
⑤Increase in interest expenses from new borrowings							

se in expense from offering in Aug. 2020 (37) mn yen

Factors of Variance cast vs. 10th FP Forecast

Increase in expenses from properties acqu Property tax expensed Increase in G&A	(135) mn yen (105) mn yen (30) mn yen
②Decrease in repair and maintenance expenentiation of the second seco	se for +38mn yen
③No temporary increase in expenses from of Aug. 2020	ffering in +37mn yen

+865mn yen

(21) mn yen

ED Ended



Features of Mitsubishi Estate Logistics REIT Investment Corporation

Stable Growth Strategy with Hybrid Model "Developer × Real Estate Asset Manager"



External Growth Strategy



Portfolio Map



* Tentative name Note 1 : As of Oct. 15, 2020

Note 2: For Logicross Osaka and Logicross Nagoya Kasadera, remaining 40% co-beneficiary interest are left in the pipeline

Internal Growth Strategy I



Unique initiatives other than rent revision

- Installation of LED lighting based on green lease contract (MJ Logipark Fukuoka1)
- Installed lighting at MEL's cost
- Received part of the reduction in electricity bills and maintenance costs to be borne by tenant as Green Lease fee
- Improved tenant satisfaction by increasing parking space (LOGIPORT Osaka Taisho)
- Increased rent by installing solar panels on the rooftop (MJ Logipark Fukuoka1)



Total revenue from these initiatives: Approx. 2 mn yen /annually Impact for DPU: 3.1 yen

Impact to revenue from internal growth



Note 1 : As of Sept. 30, 2020

Note 2: Lease contracts that are not yet contracted are assumed to be unchanged for the calculation



Internal Growth Strategy II



Average Occupancy and Lease Agreements



Lease Agreement Expiration Schedule (Note2)



Note 1 : As of Aug. 31, 2020. Includes the 5 properties acquired in 9th FP Note 2 : Excludes land



Financial Strategy

Financial Highlight								Gr	een Loa	an		
Long-term debt ratio 95.8%	Fixed interest rate ratio 95.8 %	Average remaining debt duration (all/excluding short-term) 5.4 years/ 5.6 years		1)	(all/exo	age debt Iuding short 7%/0.	:-term)				SMBC DGS ROMOTION LOAN	
Credit rating(JCR)	Forecasted LTV (FP 2021/8) 30.9 %	(up to	Debt capacity (up to 40%) _{Approx.} 22 _{bn yen}		Debt capacity (up to 50%) _{Approx.} 57 bn yer		6)	fi b N R	MEL actively promotes financing with ESG asses by external agencies. MUFG ESG Evaluation for REIT and SMBC Funding promote SDGs are the fin cases in J-REIT.			
Lenders	Shinkin Central BankShinsei Bank, LimitedDevelopment Bank of Japa	Corporation Bank	Debt (mn yen) 10,000 8,000 6,000 4,000			chedul	_0_	ew borro	owings			
8.0% 19.4% 16.6%	 The 77 Bank, Ltd. New Lenders Sumitomo Mitsui Trust Bar The Yamanashi Chuo Bank The Yamaguchi Bank, Ltd. The Bank of Toyama, Ltd. 		2,000 -	020 2021	2022	2023 202	4 2025	2026	2027 2028	2029	2030 (year)	

Note : As of Oct. 9, 2020



Mid-to Long-Term Growth Strategy

Asset size target and transition of key financial figures



Note : As of Sept. 1, 2020



ESG Initiatives

Sustainability Policy

MEL promotes initiatives for ESG, in collaboration with the Asset Management Company and the Sponsor, following the basic policies as below:

- 1. Pursue energy efficiency and low carbon
- 4. Empower our people
- 2. Improve water resource management and waste management
- 3. Enhance tenant safety, security and satisfaction
- 5. Collaborate with external stakeholders
- 6. Disclose ESG information and obtain environmental certifications
- 7. Ensure compliance and risk management

Mitsubishi Estate Group's Initiatives for ESG

Mitsubishi Estate Group's Sustainable Development Goals 2030 (Long-term Business Plan)

1. Environment

Sustainable urban development that proactively addresses climate change and environmental issues

2. Diversity & Inclusion

Urban development that responds to lifestyle and human resources trends and facilitates active participation for all

3. Innovation

Innovative urban development that continuously renew society

4. Resilience

Dynamic, flexible urban development that builds disaster-resilient communities and prioritizes safety and security

External Evaluation on Mitsubishi Estate Group

REAL ESTATE

MSCI Japan ESG

Select Leaders Index

B



tainability Index

S&P/JPX

Carbon

Efficient



8

Signing of PRI

Asset Management Company became a signatory of PRI, the Principles for Reasonable Investment in March 2020.

GRESB assessment

MEL participated in the 2019 GRESB Real Estate Assessment for the first time and was awarded the prestigious "Green Star" rating and received "4 Star" rating.

Participate in United Nations Global Compact (UNGC)

Mitsubishi Estate became a signatory of the UNGC and Mitsubishi Estate Group was registered as participants in April 2018. Along with this, the Asset Management Company has participated in this initiative as a member of Mitsubishi Estate Group.







E S B

Environment

Promotion of Green Portfolio

Ratio of Green Properties in Portfolio (GFA basis) 74_3 %

	Certification System	# of Properties	Property Name	Evaluation			
BELS	Duilding Housing Energy Efficiency		Logicross Atsugi	BELS: ★★★★ CASBEE S Rank for Real Estate			
	Building-Housing Energy-Efficiency Labeling System (BELS)	4	Logicross Kobe Sanda	BELS: ★★★★ CASBEE A Rank for Real Estate			
			Logicross Nagoya Kasadera	CASBEE S Rank for New Construction Nagoya			
1044201210101	Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for Real Estate	7	Logicross Fukuoka Hisayama	DBJ Green Building Certification: ★★★★			
		/	LOGIPORT Sagamihara	CASBEE S Rank for Real Estate			
A CONTRACTOR			LOGIPORT Hashimoto	BELS: ★★ CASBEE S Rank for Real Estate			
	DD1 Green Duilding Costification	1	LOGIPORT Osaka Taisho	CASBEE S Rank for Real Estate			
DBJ Green Building	DBJ Green Building Certification	T	MJ Logipark Kasugai 1	CASBEE A Rank for New Construction Aichi			
			MJ Logipark Kazo 1	BELS: ★★★★			

Examples

Energy saving initiatives



Insulated sandwich panels for exterior walls

Use of renewable energy / **BCP** initiatives





Insulated solar panels



Installation of motion detection sensors



Seismic isolators



generators

Reuse of OA floor panels of Renovation with LED installed based office buildings in Marunouchi on Green Lease contract



Measures against infectious diseases (with hand sanitizers)



Initiatives for ESG (Social & Governance)

Social

Proactive participation in CSR activities

 Clean up volunteer activity after Atsugi Ayu Firework Festival near MJ Logipark Atsugi 1



 Lawn-mowing at greenery areas in MJ Logipark Atsugi 1



 Donate stockpile from LOGIPORT Hashimoto



- Secure reserves in case of emergency (Food, beverage & portable toilet)
- Free salt candy service for tenants in our properties (for all properties held as of Aug. 2020)
- We donated the 1,900 unused surge masks we have stored to the Chiyoda Ward Health Center
- As a substitute for notebooks, we donated unused calendars to elementary schools in developing countries to support children in the future

Offering Comfortable Working Environment

Examples

- Introduction of flextime working system
- Installation of community spaces within the office area
 Invitation of personnel from group companies and
- outside professionals
- Specialized training for skill improvement
- Employee satisfaction survey

These initiatives are intended to maximize asset management performance by improving productivity, skills and motivation of employees



Collaboration with Local Educational Institute and Improvement in Tenant Satisfaction

Local universities and vocation schools in the region were involved as part of the redesigning of the employee lounge at MJ Logipark Fukuoka 1 $\,$





Governance

Asset Management Structure

• MEL introduced an asset management fee structure reflecting the performance of DPU and investment unit price for the purpose of aligning with unitholders' interest

Asset management fee I (AUM-linked)	Total assets as of the end of previous period \times 0.2% (upper limit)					
Asset management fee II (Real estate profit-linked)	Adjusted NOI \times 5.0% (upper limit)					
	Adjusted net income before tax × net income before tax per unit × 0.001% (upper limit)					
Asset management fee II (Unitholder interest- linked)	"Fee linked to Investment Unit Price" Performance against TSE REIT Index ((a)-(b)) × market capitalization (for fiscal period of each term) × 0.1% (upper limit) (a): Fluctuations in MEL's investment unit price (incl. dividends) (b): Fluctuations in the TSE REIT Index (incl. dividends)					

Same-boat investment by Mitsubishi Estate (as of Oct. 15, 2020)







Source : Data compiled by the Asset Management Company based on data from "FY2019 International Economic Research Project to Establishing a Domestic and Foreign Economic Growth Strategy" (July 2020) by the Ministry of Economy, Trade and Industry

E-commerce Penetration Rate



Source : Data compiled by the Asset Management Company based on data from "Monthly Report on the Current Survey of Commerce April 2020" (June 2020) by the Ministry of Economy, Trade and Industry (Japan), Office for National Statistics(UK)and U.S. Census Bureau (USA). Refer to press release disclosed information until 1Q 2020 for U.S. and UK, while until 2019 for Japan





<u>3 PL Market Size</u>



Note : Each fiscal year is the period beginning on April 1 and ending on March 31 of the following year. It does not coincide with the fiscal period of MEL.

Source : Data compiled by the Asset Management Company based on "Monthly Logistics Business Sept. 2019'

Retail Market Size



Source : Data compiled by the Asset Management Company based on data from "Monthly Report on the Current Survey of Commerce April 2020" (June 2020) by the Ministry of Economy, Trade and Industry and "FY2019 International Economic Research Project for Establishing a Domestic and Foreign Economic Growth Strategy" (July 2020) by the Ministry of Economy, Trade and Industry

<u>Monthly Trends in Cargo delivery</u> (Ministry of Land, Infrastructure, Transport and Tourism)



Tokyo Metropolitan Area



Nagoya Metropolitan Area



Osaka Metropolitan Area



Kyushu Area



Source : CBRE K.K

Note1 : "Tokyo Metropolitan Area" refers to Tokyo, Chiba, Saitama, Kanagawa and Ibaraki prefectures, "Osaka Metropolitan Area" refers to Osaka, Hyogo and Kyoto prefectures, "Nagoya Metropolitan Area" refers to Aichi, Mie and Gifu prefecture and "Kyushu Area" refers to Fukuoka and Saga prefectures.

Note2 : "New Supply" refers to total leasable floor area of newly constructed leasable logistics facilities and "New Demand" refers to change in occupied floor area. Change in occupied floor area is calculated by subtracting tenant withdrawal floor area from floor area under new agreements.

Note3 : Based on data for leasable logistics facilities with 5,000m or more of gross floor area owned by real estate investment company, real estate developer, etc. Excluding leasable logistics facilities owned by logistics company

Mitsubishi Estate's Logistic Facilities Business

Features of MEC Group's Logistic Facilities Business I

History of Logistics Facility Business of Mitsubishi Estate Group

• MEC Group has developed safe and secure logistics facilities proactively and consistently, since the commencement of the business in 1967, and strengthened capacity with the establishment of Logistics Facilities Development Office within Urban Project Development Department in 2012

• MEC Group aims to enhance social infrastructure and quality of life through this high-growth business, leveraging expertise and relations cultivated as a comprehensive real estate developer



Features of MEC Group's Logistic Facilities Business II

	Strengths of MEC group	Land Acquisition	Development	Operation & Management	
	Diversified business portfolio	1 Obtain a variety of land information	Manage development cost		
Strengths	Advanced development capabilities	2 Consolidate plots of land from multiple landowners	Coordination among stakeholders and the administration	>	
as a comprehensive developer	4 Corporate customer relations	Land information and dev	elopment utilizing relations	Group-wide leasing	
dereiope.	5 Customer network supported by branches	Explore land information on site		Explore tenants' needs at various locations	
	Numerous joint project experiences	Experiences of joint proje	ects requiring coordination between stakeholder	rs with different interests	
Strengths of the Logistics	Strengthening of value chain through in-house PM	Reflect tenants' needs in land acquisition	Understand tenants' needs for facility specifications	Understand tenants' usage needs	
Facilities Business	6 Collaboration with TRC	Capture information from tenants of managed facilities	Utilize relations with tenants of managed facilities		
1 Diversified bus	siness portfolio	3 Coordination among stakeholders and the administration	4 Corporate customer relations	5 Customer network supported by branches	
group-wide in Logicros		 MEL's ability to respond to complex schemes for ownership interest swaps were highly rated 	Collaborative project making full use of relation with office tenant in Daimaru area	Use the regional network mainly in the areas where MEC's head office and branches are located to achieve tenant leasing activities	
Nagoya Kas 2 Consolidate pl	lots of land from multiple landowners	Logicross Hasuda (tentative)	LOGIPORT Kawasaki Bay	Logicross Kobe Sanda 大 三菱地所 物流拠点ニーズの捕捉 関西支店	
	as acquiring development lands consolidation of multiple Logicross Kasukabe (tentative)			情報提供	



物流施設事業部

OPartnership with TRC

Overview of Tokyo Ryutsu Center (TRC)

- Established in 1967 to operate large distribution facilities that take a critical role for streamlining logistics in the Tokyo Metropolitan area, and became a consolidated subsidiary of MEC since 2016
- Rebuilt Logistics Building, B-wing as the first in-premise redevelopment project (completed in June, 2017, with floor area of 171,300m2). MEC entered "Project Management Support consignment contract" associated with rebuilding



Launch of a co-working showroom that aims to solve problems through logistics tech

- Launched the "TRC LODGE", a permanent exhibition space where visitors can learn the latest logistics tech to help solve problems of all sizes faced by logistics companies
- A "Seminar and Co-working Space" is available for exhibiting companies to hold seminars, etc.
- The "Time Share Warehouse" is an experimental space where companies can rent the entire latest warehouse for an hour or more to test and demonstrate new products. It can be used not only for the display of existing products, but also for new product development and demonstration
- Supporting the tenants of logistics facilities developed and operated by the MEC Group through this facility to enhance the efficiency and sophistication of logistics operations, both in terms of software and hardware





Operation management by TRC





- Logicross Nagoya Kasadera Logicross Atsugi I
- Operation & management of 11 properties held and pipeline assets are outsourced to TRC
- Promoting in-house operation & management by utilizing TRC's know-how

Personnel Exchange with TRC (As of Apr. 1, 2020)



- Five employees are seconded from MEC to TRC, while two employees from TRC to MEC
- One employee is seconded from MJIA to TRC, while one from TRC to MJIA
- Promoting the accumulation of knowhow through personnel exchange

Development of Facility Management Service Utilizing Drones

- Started the joint development of an advanced and efficient operation/management method, utilizing TRC's operational/management knowhow
- The MEC Group promotes digital transformation unbound by the traditional Real Estate business, through the fusion of Real Estate Assets and digital technology





Appendix

Portfolio Overview



Portfolio Details

	Property Name	Location	Acquisition Price (mn yen)	Appraisal Value (mn yen)	Appraisal NOI Yield (%)	Total Leasable Area (㎡)	Ratio (%)	Occupancy Rate (%)	Property Age (years)	Property Type
	Logicross Fukuoka Hisayama	Kasuya, Fukuoka	5,770	6,150	5.2	34,878	4.1	100.0	5.9	Multi
	Logicross Atsugi	Atsugi, Kanagawa	8,440	9,200	4.5	29,895	5.9	100.0	3.5	Multi
	Logicross Kobe Sanda	Kobe, Hyogo	3,900	4,230	5.1	12,844	2.7	100.0	3.2	BTS
	LOGIPORT Sagamihara (49% co-beneficiary interest)	Sagamihara, Kanagawa	21,364	23,500	4.7	88,609	15.0	99.7	7.0	Multi
	LOGIPORT Hashimoto (45% co-beneficiary interest)	Sagamihara, Kanagawa	18,200	20,295	4.5	58,487	12.8	99.9	5.6	Multi
	LOGIPORT Osaka Taisho (Initial 20% co-beneficiary interest)	Osaka, Osaka	5,682	6,020	4.6	21,376	4.0	99.9	2.5	Multi
Properties	MJ Logipark Funabashi 1	Funabashi, Chiba	5,400	6,560	6.5	18,232	3.8	100.0	30.8	Multi
Held as of the end of	MJ Logipark Atsugi 1	Atsugi, Kanagawa	6,653	7,020	4.5	28,002	4.7	100.0	7.1	Multi
8th FP	MJ Logipark Kazo 1	Kazo, Saitama	1,272	1,430	5.7	7,678	0.9	100.0	14.5	Multi
	MJ Logipark Osaka 1	Osaka, Osaka	6,090	6,830	5.0	39,082	4.3	100.0	12.9	Multi
	MJ Logipark Fukuoka 1	Kasuya, Fukuoka	6,130	6,440	5.3	38,143	4.3	100.0	12.9	Multi
	MJ Logipark Tsuchiura 1	Tsuchiura, Ibaraki	3,133	3,420	5.3	15,485	2.2	100.0	5.8	BTS
	MJ Logipark Nishinomiya 1	Nishinomiya, Hyogo	2,483	2,640	5.7	13,777	1.7	100.0	29.5	BTS
	MJ Logipark Kasugai 1	Kasugai, Aichi	13,670	14,100	4.8	57,866	9.6	100.0	3.6	Multi
	MJ Industrial Park Sakai (Land)	Sakai, Osaka	5,600	5,780	3.8	87,476	3.9	100.0	-	Land
	Subtotal / Average		113,787	123,615	4.8	551,837	80.0	99.9	8.1	-
	Logicross Osaka (60% co-beneficiary interest)	Osaka, Osaka	5,874	6,000	4.3	21,369	4.1	100.0	1.9	Multi
Properties	Logicross Nagoya Kasadera (60% co-beneficiary interest)	Nagoya, Aichi	8,705	9,540	4.9	37,353	6.1	100.0	1.6	Multi
Acquired during 9th	LOGIPORT Osaka Taisho (Additional 17.5% co-beneficiary interest)	Osaka, Osaka	4,802	5,267	4.7	18,704	3.4	99.9	2.5	Multi
FP	MJ Logipark Kazo 2	Kazo, Saitama	1,637	1,710	5.0	7,349	1.2	100.0	21.7	BTS
	MJ Logipark Sendai 1	Tagajo, Miyagi	7,388	7,410	5.2	39,098	5.2	100.0	11.4	Multi
	Subtotal / Average		28,407	29,927	4.8	123,876	20.0	100.0	5.6	-
	Total / Average		142,194	153,542	4.8	675,713	100.0	99.9	7.6	-

Note: As of Aug. 31, 2020. However, the Appraisal Value and Appraisal NOI Yield for the 5 properties acquired on Sept. 1, 2020, the figures are as of June 30, 2020



Summary of Latest Appraisals

										(Units: Millio	ns of ven)		
	Property Name	Acquisition Date	Acquisition Price	Book Value at end of	8 FP (Ended Aug. 31, 2020) (Note 1)		7th FP) (Ended Feb. 29, 2020) (Note 2)		Difference		Unrealized gain		
		Date	8th FP		8th FP Appra		Appraisal value	Direct cap rate (%)	Appraisal value	Direct cap rate (%)	Appraisal value	Direct cap rate (%)	
	Logicross Fukuoka Hisayama	Sept. 2017	5,770	5,596	6,150	4.8	6,150	4.8	±0	±0.0	553		
	Logicross Atsugi	Sept. 2018	8,440	8,416	9,200	4.1	9,000	4.2	+200	(0.1)	783		
	Logicross Kobe Sanda	Sept. 2018	3,900	3,891	4,230	4.6	4,140	4.7	+90	(0.1)	338		
	LOGIPORT Sagamihara (49% co-beneficiary interest)	Sept. 2017	21,364	20,949	23,500	4.2	23,300	4.2	+200	±0.0	2,550		
	LOGIPORT Hashimoto (45% co-beneficiary interest)	Sept. 2017	18,200	17,897	20,295	4.0	19,800	4.0	+495	±0.0	2,397		
	LOGIPORT Osaka Taisho (Initial 20% co-beneficiary interest)	Oct. 2019	5,682	5,706	6,020	4.2	6,020	4.2	±0	±0.0	313		
Properties	MJ Logipark Funabashi 1	Sept. 2016	5,400	5,239	6,560	4.9	6,560	4.9	±0	±0.0	1,320		
Held as of the end of	MJ Logipark Atsugi 1	Sept. 2017	6,653	6,540	7,020	4.2	7,020	4.2	±0	±0.0	479		
8th FP	MJ Logipark Kazo 1	Sept. 2017	1,272	1,252	1,430	4.9	1,400	5.0	+30	(0.1)	177		
	MJ Logipark Osaka 1	Sept. 2017	6,090	5,978	6,830	4.3	6,830	4.3	±0	±0.0	851		
	MJ Logipark Fukuoka 1	Sept. 2017	6,130	5,899	6,440	4.8	6,440	4.8	±0	±0.0	540		
	MJ Logipark Tsuchiura 1	Sept. 2019	3,133	3,147	3,420	4.8	3,420	4.8	±0	±0.0	272		
	MJ Logipark Nishinomiya 1	Oct. 2019	2,483	2,571	2,640	4.8	2,640	4.8	±0	±0.0	68		
	MJ Logipark Kasugai 1	Oct. 2019	13,670	13,712	14,100	4.5	14,000	4.5	+100	±0.0	387		
	MJ Industrial Park Sakai (Land)	Oct. 2019	5,600	5,666	5,780	3.7	5,780	3.7	±0	±0.0	113		
	Subtotal / Average		113,787	112,466	123,615	-	122,500	-	+1,115	-	11,148		
	Logicross Osaka (60% co-beneficiary interest)	Sept. 2020	5,874	-	6,000	4.1	-	-	-	-	-		
Properties	Logicross Nagoya Kasadera (60% co-beneficiary interest)	Sept. 2020	8,705	-	9,540	4.4	-	-	-	-	-		
Acquired during 9th FP	LOGIPORT Osaka Taisho (Additional 17.5% co-beneficiary interest)	Sept. 2020	4,802	-	5,267	4.2	-	-	-	-	-		
FP	MJ Logipark Kazo 2	Sept. 2020	1,637	-	1,710	4.3	-	-	-	-	-		
	MJ Logipark Sendai 1	Sept. 2020	7,388	-	7,410	4.9	-	-	-	-	-		
	Subtotal / Average		28,407	-	29,927	-	-	-	-	-	-		
	Total		142,194	-	153,542	-	-	-	-	-	-		

Note 1: As of Aug. 31, 2020. As of June 30, 2020 for the properties acquired on Sept. 1, 2020 Note 2: As of Feb. 29, 2020



Statement of Income and Balance Sheet

Statement of Income	(Unit : Thousands of yen)
Item	Actual
Operating revenues	3,342,769
Operating rental revenues	3,179,904
Other rental revenues	162,864
Operating expenses	1,612,790
Expenses related to property rental business	1,187,243
Asset management fee	307,446
Asset custody fee	1,150
Administrative service fee	16,784
Director's compensations	2,400
Commission paid	66,880
Other operating expenses	30,886
Operating income	1,729,978
Non-operating income	2,211
Interest income	36
Interest on refund	2,174
Non-operating expenses	76,651
Interest expenses	68,880
Borrowing related expenses	1,723
Amortization of organization expenses	6,047
Ordinary income	1,655,538
Net income	1,654,690
Unappropriated retained earnings	1,654,877

Balance Sheet	(Unit : Thousands of yen)
Item	Actual
Current assets	7,952,750
Cash and deposits	3,504,701
Cash and deposits in trust	4,389,936
Other current assets	58,112
Total fixed assets	112,513,946
Property and equipment	112,466,230
Intangible assets	4,626
Investments and other assets	43,090
Deferred assets	10,079
Total assets	120,476,777

Current liabilities	2,208,467
Operating accounts payable	90,602
Short-term loans payable	950,000
Accrued expenses	419,864
Advances received	528,045
Consumption taxes payable	204,777
Other current liabilities	15,177
Non-current liabilities	36,619,412
Long-term loans payable	34,424,000
Tenant leasehold and security deposits in trust	2,195,412
Total liabilities	38,827,879
Total unitholders' equity	81,648,898
Unitholders' capital, net	79,994,021
Surplus	1,654,877
Total net assets	81,648,898
Total liabilities and net assets	120,476,777



Debt ① (As of Oct. 9, 2020)

Cat	tegory	Lenders	Balance (mn yen)	Interest Rate	Borrowing Date	Repayment Date	Collateral
Short- term	Floating rate	Mizuho Bank	1,300	Base rate (JBA 1-month JPY TIBOR)+0.07000%	Sept. 1, 2020	Sept. 1, 2021	
		Sumitomo Mitsui Trust Bank	500	Base rate (JBA 1-month JPY			
		MUFG Bank	200	TIBOR)+0.09000%	Oct. 9, 2020	Oct. 9, 2021	
		Subtotal	2,000	-	-	-	
		Mizuho Bank	720	0.32630%		Sept. 14, 2021	
		Development Bank of Japan	1,491	0.32630%			
		MUFG Bank	430	0.35750%		Sept. 14, 2022	
		Sumitomo Mitsui Banking Corporation	2,050	0.33730%			
		MUFG Bank	1,760				
		Mizuho Bank	1,330	0.39130%	Sept. 14, 2017	Sept. 14, 2023	
		The Bank of Fukuoka	450				Unsecured, Unguaranteed
		The Bank of Fukuoka	900	0.42880%		Sept. 14, 2024	
		MUFG Bank	620	0.46750%		Sept. 14, 2025	
Long- term	Fixed rate	MUFG Bank	710	0.50750%		Sept. 14, 2026	
		MUFG Bank	2,680	0.55000%			
		Sumitomo Mitsui Banking Corporation	880			Sept. 14, 2027	
		Mizuho Bank	880				
		Sumitomo Mitsui Banking Corporation	830	0.24000%		Sept. 14, 2022	-
		The Norinchukin Bank	800	0.39500%		Sept. 14, 2025	
		Shinsei Bank	500	0.45380%		Sept. 14, 2026	
		Mizuho Bank	830	0.57500% Sept. 14, 2018		1	
		The Bank of Fukuoka	807			Sept. 14, 2028	
		Shinkin Central Bank	1,256				



Debt 2 (As of Oct. 9, 2020)

Cate	egory	Lenders	Balance (mn yen)	Interest Rate	Borrowing Date	Repayment Date	Collateral
		Sumitomo Mitsui Banking Corporation	3,000	0.25000%	Sept. 2, 2019	Sept. 2, 2023	Unsecured, Unguaranteed
		MUFG Bank	4,000	0.49000%	Sept. 30, 2019	Sept. 30, 2029	
		The Norinchukin Bank	1,250	0.18000%	_	Oct. 9, 2024	
		The Shinkumi Federation Bank	1,250	0.18000%			
		MUFG Bank	200	0.21600%		Oct. 9, 2025	
		Mizuho Bank	2,400	0.26000%	Oct. 9, 2019	Oct. 9, 2026	
		The 77 Bank	400	0.20000%			
		Shinsei Bank	1,250	0.24000%		Oct. 9, 2027	
		The Bank of Fukuoka	750	0.42000%	_	Oct. 10, 2028	
Long- term		Sumitomo Mitsui Banking Corporation	1,150	0.20000%		Sept. 1, 2024	
	Fixed Rate	The Shinkumi Federation Bank	1,500	0.20000%		Sept. 1, 2025	
		The Bank of Toyama	300				
		The Norinchukin Bank	800	0.26630%	0.26630% 0.31250% Sept. 1, 2020 0.42380% 0.41822% 0.46832% 0.50000%		
		The Norinchukin Bank	500	0.31250%		Sept. 1, 2026	
		The Bank of Fukuoka	900	0.422000/		Sept. 1, 2028	
		The 77 Bank	500	0.42300%			
		Mizuho Bank	1,750	0.41822%		Sept. 1, 2029	
		MUFG Bank	2,000	0.46832%		Aug. 30, 2030	
		The Yamanashi Chuo Bank	500				
		The Yamaguchi Bank	500	0.50000%			
		Shinkin Central Bank	750	0.24130%	Oct. 9, 2020	Oct. 9, 2025	
	Subtotal		45,574	-	-	-	-
		Total	47,574	-	-	-	-



Unitholders Composition



Breakdown by Unitholders

Note: As of Aug. 31, 2020



Major Unitholders

	Number of Units	Ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,637	14.92%
Custody Bank of Japan, Ltd. (Trust Account)	41,416	13.54%
Mitsubishi Estate Co., Ltd.	12,450	4.07%
The Nomura Trust and Banking Company, Ltd. (Trust Account)	11,471	3.75%
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	11,402	3.72%
The Chugoku Bank, Limited	5,986	1.95%
The Shinkumi Federation Bank	5,748	1.87%
Tokyo Century Corporation	5,619	1.83%
GOLDMAN SACHS INTERNATIONAL	5,040	1.64%
JP MORGAN CHASE BANK 385771	4,047	1.32%
Total	148,816	48.66%

Same-boat Investment by MEC (as of Oct. 15, 2020)

Investment in MEL by MEC

4.1%



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